

Amendment No. 1 to SB3143

**Cooper J
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3143

House Bill No. 3178*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. (a) There is hereby created a special joint committee to perform a comprehensive analysis of predatory lending in Tennessee.

(b) The special joint committee shall study the current legislative and regulatory provisions and protections which are applicable to home loans and to those who offer home loans.

(c) The special joint committee shall also study the need for better protections to prevent abusive or predatory practices such as excessive interest rates unrelated to risk or excessive fees unrelated to services rendered; making home loans without due regard to the borrower's ability to repay; "flipping" or refinancing a home loan without significant tangible benefit to the borrower but including excessive fees; mandatory single-premium credit life insurance; "balloon" payments designed to force unfavorable refinancing or default; abuse of home improvement loans; and other practices.

(d) The special joint committee shall consist of three (3) members of the House of Representatives and three (3) members of the Senate, to be appointed by the respective speakers. The speakers shall seek to appoint members who have demonstrated interest in the issue and who will serve actively.

(e) All appropriate state departments and agencies shall provide assistance to the special joint committee upon request of the chair.

(f) The Tennessee Bankers Association, the Tennessee Mortgage Bankers Association, the Tennessee Mortgage Brokers Association, the Tennessee Consumer Finance Association, and other interested and affected professional groups and

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associations shall be asked to provide information, analyses, and recommendations to the special joint committee.

(g) Groups advancing for greater protection of consumers shall be asked to provide information, analyses, and recommendations to the special joint committee.

(h) The special joint committee shall hold hearings, if practical, in the three Grand Divisions of the state to seek testimony from persons who have been harmed by predatory lending practices or who have direct knowledge about such practices and from those who have helped others or been helped by subprime loans.

(i) All legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

(j) The special joint committee shall be convened by the member of the committee with the most years of continuous service in the General Assembly; and at its first meeting of the year shall elect a chair, vice-chair, and such other officers the committee deems necessary.

(k) The committee shall timely report its findings and recommendations, including any proposed legislation or interim reports, to the One Hundred Third General Assembly no later than February 28, 2003, at which time the committee shall cease to exist.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.